

NCA  
VOC FOR IOP/FN  
BACKGROUNDER NO. 5-5623  
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MARCH 16, 1973

## THE NORTHEAST CONTINENTAL SHELF--OIL BONANZA?

ANNCR:

LAST MONTH'S SUPREME COURT DECISION TO PERMIT OIL EXPLORATION OFF THE U.S. NORTHEAST ATLANTIC COAST HAS SET OFF A WAVE OF ACTIVITY AMONG THE BIG OIL COMPANIES THAT MADE SUCCESSFUL BIDS FOR THE OFFSHORE OIL LEASES.

VOICE:

BEFORE THE FIRST BATHERS APPEAR ON THE SMOOTH YELLOW SAND BEACHES OFF THE COAST OF THE STATE OF NEW JERSEY, THE FIRST U.S. OIL DRILLING SHIP WILL BE IN PLACE ABOUT 650 KILOMETERS OFFSHORE. THAT SHOULD BE TWO WEEKS FROM NOW, IF ALL GOES WELL. OTHER HUGE DRILLING RIGS FLYING THE FLAGS OF OTHER AMERICAN OIL COMPANIES WILL BE MOVING INTO PLACE IN APRIL.

THE RIGS WILL PROBE TWO TO THREE THOUSAND FATHOMS DEEP IN A BIG GAMBLE FOR VERY HIGH STAKES. PROSPECTING FOR OIL, DESPITE RECENT SCIENTIFIC ADVANCES, STILL REMAINS AN IMPRECISE ART. AND UNTIL SOMETHING MORE REVOLUTIONARY IS INVENTED THAN SENDING SEISMIC SHOCKS UNDER WATER TO DETERMINE THE ROCK STRUCTURES BELOW, THE ONLY WAY TO BE SURE WHAT'S DOWN THERE IS TO DRILL. THE ODDS THAT ANY DRILLING EFFORT WILL RESULT IN A SUBSTANTIAL OIL DISCOVERY WORTH FURTHER DEVELOPMENT RUN FROM FIVE TO TEN TO ONE.

NEVERTHELESS, ONE OF THE LARGEST AMERICAN OIL COMPANIES PAID THE U.S. GOVERNMENT NEARLY 350 MILLION DOLLARS FOR THE RIGHT TO DRILL IN A TRACT OFF ATLANTIC CITY, NEW JERSEY, FAR OUT OF SIGHT OF THAT VACATION METROPOLIS.

THE CONTINENTAL SHELF TERRITORY FROM THE GEORGES BANK IN THE NORTH TO THE SO-CALLED BALTIMORE CANYON OFF THE POPULOUS

U.S. EASTERN SEABOARD REPRESENTS WHAT IS BELIEVED TO BE THE LAST LARGE-SCALED UNTAPPED OIL AND NATURAL GAS PROSPECT IN THE UNITED STATES, EXCEPT FOR PARTS OF ALASKA. MANY OIL EXPERTS THINK IT MAY BE POTENTIALLY MORE IMPORTANT THAN ALASKA BECAUSE THE TEMPERATE WEATHER MAKES IT EASIER TO DRILL OFF THE NORTHEAST COAST. MORE IMPORTANT, IT IS CLOSE TO THE POPULOUS NORTH EASTERN CITIES, SUCH AS BOSTON, NEW YORK AND WASHINGTON. THE COST OF DELIVERING OIL TO NEARBY MARKETS WOULD BE FAR LESS EXPENSIVE THAN BUILDING AN ALASKA PIPELINE AND SENDING OIL TANKERS FROM THE PACIFIC TO THE ATLANTIC THROUGH THE PANAMA CANAL.

BUT ENERGY DISCOVERIES CANNOT BE TURNED ON-AND-OFF LIKE A WATER FAUCET. IT WILL TAKE YEARS TO DEVELOP ANY OIL OR NATURAL GAS FIELD, IF INDEED ANY IS FOUND, OFF THE NORTH ATLANTIC COAST. OIL MEN CAUTION THAT IF THE FIRST WELL-PUBLICIZED ATTEMPTS TO FIND OIL OFF THE NORTH ATLANTIC COAST TURN OUT TO BE DRY HOLES, THE BLOOM MAY BE OFF THE NORTHEAST CONTINENTAL SHELF. BUT OIL PROSPECTORS DON'T GIVE UP EASILY, AND THEY WILL CONTINUE DRILLING.

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JS/RTD